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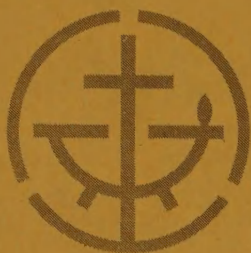


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Industrial Facts

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INDUSTRIAL FACTS

CONCRETE DATA
CONCERNING INDUSTRIAL PROBLEMS
AND PROPOSED SOLUTIONS

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BY

KIRBY PAGE

1890-1957

E. E. Stringfellow

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AUTHOR'S NOTE

In a brief pamphlet it is manifestly impossible to discuss in an exhaustive manner all of our industrial problems and the proposed solutions. The purpose of this pamphlet is simply to direct attention to certain major facts and to point out present tendencies. Great care has been used in assembling the facts quoted herein. Before this manuscript was sent to the press, it was read carefully by five or six competent authorities of national note. If, however, there are any misstatements of fact herein, the present writer would greatly appreciate having his attention called to the same. Communications may be addressed to him in care of the publishers.

June 1st, 1921.

INDUSTRIAL PROBLEMS

WORLD-WIDE UNREST

The peoples of the earth are in commotion. From every quarter we hear of industrial strife, war, revolution and widespread unrest. Nation is arrayed against nation, class against class. What the future holds no one can tell. Mr. Frank H. Simonds, the eminent newspaper correspondent, says: "It seems to me about an even thing whether Europe can be saved or will sink into anarchy and chaos." Mr. H. N. Brailsford, the famous journalist, says: "The fact that confronts us is world shortage, the dwindling of populations, the decay of industries, the twilight of civilizations."

The full tide of unrest has not as yet reached America. It may be a decade removed. But it is on its way. Let there be no mistake about that. Rumbblings are audible even now. Irritability and bitterness in industrial relations are increasing. Mr. Roger W. Babson reminds us that "we are in a most critical period. Unless both employers and wage earners quickly come to their senses, we shall witness the greatest industrial and financial panic which this country has ever experienced." Something is the matter with our present social order. This is an indisputable fact

Of the many efforts now being made to diagnose the ills of society, few are more significant and stimulating than the analysis of Mr. R. H. Tawney, Fellow of Balliol College, Oxford, in his little book, "The Acquisitive Society." The main trouble, in the opinion of Mr. Tawney, is that at present we have a society in which *rights and privileges* are supreme, and in which *functions and obligations* are only secondary. In such a society the chief concern of individuals is the acquisition of wealth and power. The individual becomes "the center of his own universe."

Mr. Tawney points out that there are two noteworthy consequences of such a conception. The first is the creation of a class, the strong and successful in the general scramble for wealth, who in time are able to levy a toll upon industry and live from the toil of the weak and unsuccessful. "The second consequence is the degradation of those who labor." Those who are compelled to

labor are deemed inferior to those who are able to live luxuriously without labor. "Wealth becomes the foundation of public esteem."

As a substitute for such a social order, Mr. Tawney would have a society in which *functions* are supreme, in which there would be no right without a corresponding function, no privilege without a corresponding obligation. In such a society wealth and remuneration would be based upon service for the common good, "not upon chance or privilege or the power to use opportunities to drive a hard bargain." The chief honors and choicest rewards would go to those who do the most for the common welfare, and not, as is often the case in our present society, to those who labor not at all and who contribute only meagerly and indirectly to the common good. "If society is to be healthy," says Mr. Tawney, "men must regard themselves not as the owners of rights, but as trustees for the discharge of functions and the instruments of social purpose."¹

CONCENTRATION OF WEALTH AND CONTROL

The conclusion of Mr. Tawney that in an acquisitive society there is a tendency to create a class which lives without labor and to degrade those who do labor is verified by an examination of the actual facts in the United States.

Here we have an increasing congestion of wealth and power. We are told by Professor W. I. King that "two per cent of the population owns sixty per cent of the wealth," and that at the other end of the scale, "the poorest two-thirds of the people own but a petty five or six per cent of the wealth."²

The Congressional investigation of the "Money Trust" in 1912 brought out the fact that "one hundred and eighty men have a controlling influence over capital far in excess of one-fourth of the wealth of America."³ Professor Sims tells us that "some 1,600 directorships in 100 of the leading railway and other industrial and money corporations are in the hands of 76 men. One man is on the board of 45 railroad companies."⁴

Mr. Louis D. Brandeis, now Justice of the Supreme Court, reminds us that the Pujo Committee found that the members of J. P. Morgan & Co. and the directors of their controlled trust companies, and of the First National and the National City Bank together hold, in all, 341 directorships in 112 corporations—banks,

¹ R. H. Tawney, "The Acquisitive Society," p. 51. This little book deserves careful reading by every student of social problems.

² W. I. King, "Wealth and Income," pp. 80, 82.

³ Quoted in U. L. Sims, "Ultimate Democracy," p. 52 (1917).

⁴ Sims, *Ibid.*, p. 51.

trust companies, insurance companies, transportation systems, producing and trading corporations, and public utilities—having aggregate resources or capitalization of \$22,245,000,000.¹ We are then reminded that this sum of twenty-two billion dollars “is more than twice the assessed value of all the property in the thirteen Southern States. It is more than the assessed value of all the property in the twenty-two states, north and south, lying west of the Mississippi River.”

The report of the Interstate Commerce Commission, of March 25, 1919, shows that there are, in round numbers, some 600,000 stockholders in the first-class railroads, which roads represent 97 per cent of the traffic of the country. This report shows that the majority of the stock in each one of those roads is held by less than 20 of the big stockholders in each road. The report also shows that less than 1.3 per cent of the stockholders of first class roads control the stock. Commenting upon this report, Senator LaFollette points out that “the real power which to-day controls the railroads of the United States is the group of a dozen New York financial institutions. This group of 12 New York banks holds 267 railroad directorships on 92 class 1 railroads. With their subsidiary branch lines, these railroads constitute to all intents and purposes the transportation system of the United States.”²

Concerning the concentration in land ownership, Professor Sims says: “The 1910 census revealed the fact that about one-fourth of the agricultural land in the United States was in the possession of about six ten-thousandths (only a fraction of 1 per cent) of the population. There were many estates of millions of acres. Fifty-four owners had, it is said, nearly 27,000,000 acres.”³

We are told by Mr. Louis F. Post, formerly Assistant Secretary of Labor, that “in Florida three holders had 4,200,000 acres of land, and the largest timber holders of Florida appear to hold over 16,990,000 acres, about one-eighth of the land area of the state.”⁴ President Van Hise says that a few years ago 658 holders monopolized more than 61 per cent of all the standing timber in the United States.”⁵

The story could easily be continued through several chapters. Concentration and tendency toward monopoly are the order of the day. Money, credit, land, timber, minerals, railways, public

¹ Quoted in Lionel D. Edie, “Current Social and Industrial Forces,” p. 125 (1920).

² In the U. S. Senate, February 21, 1921, recorded in the Congressional Record, March 14, 1921, pp. 4779-4781.

³ N. L. Sims, “Ultimate Democracy,” p. 49 (1917).

⁴ *The Public*, June 7, 1919.

⁵ C. R. Van Hise, “Concentration and Control,” p. 156 (1912).

utilities, the packing industry, food products, and other vital industries have been increasingly concentrated in the hands of the few.

EXTENT OF POVERTY

By way of contrast with the enormous wealth of the favored few, let us note the extent of poverty among the masses. Mr. John Simpson Penman, in his book on poverty, tells us that "it would be a conservative estimate to say that there are two million families living below the fair standard. That would mean that about ten million persons are living in poverty, or at the margin of the minimum standard of existence."¹

Professor Maurice Parmelee says: "We have plenty of evidence that the number of those who do not even reach the lower minimum standard of living is very great, probably exceeding ten per cent of the population."² Dr. Edward T. Devine reminds us that "the difference between the misery of the Inferno and the misery of New York is not so much one of degree. Men and women and children here suffer, if not so much as in hell, at least to the full limit of their human capacity. It is not in its diversity. There are more kinds of misery in New York than Milton ever dreamed of in his blindness."

LOW WAGES

Not only is it true that millions of our people are living in actual poverty, a large proportion of our total population receive an income insufficient to enable them to maintain a decent or comfortable standard of living. The figures are easily obtained from the income tax returns. The latest statistics published are those for 1918. The total number of personal income tax returns for 1918 was 4,425,114.³ Of these only 2,908,176 received an annual income of \$2,000, and only 1,411,298 received an annual income of \$3,000. If we multiply these figures by five, the size of the average American family—father, mother and three children under fourteen—we discover that less than 15 per cent of the families received a net income of \$2,000 and less than 7 per cent received a net income of \$3,000. These figures will appear all the more significant when it is recalled that the average increase in cost of living in 1918 over 1914 was approximately 75 per cent.

¹ John Simpson Penman, M.A., "Poverty the Challenge to the Church," pp. 26, 27 (1915).

² Maurice Parmelee, Ph.D., "Poverty and Social Progress," pp. 105, 106 (1916).

³ Treasury Department, U. S. Internal Revenue Statistics of Income Compiled from the Returns for 1918, published in 1921.

The Final Report of the Commission on Industrial Relations states that "it is certain that at least one-third and possibly one-half of the families of wage earners employed in manufacturing and mining earn in the course of the year less than enough to support them in anything like a comfortable and decent condition."¹

There is a widespread belief that war-time raises in wages have rendered obsolete such reports as this one. Let us get at the facts in the case. Let us first consider the rapid increase in the cost of living. Careful estimates along this line have been made by the United States Bureau of Labor Statistics, the National Industrial Conference Board, the Massachusetts Commission on the Necessaries of Life, and other agencies. There is general agreement that the increase in cost of living in 1920 over 1914 was at least 96 or 97 per cent.

In 1917 an official board of arbitration in the Seattle and Tacoma Street Railways dispute set \$1,505.60 as a minimum family budget—father, mother and three children under fourteen. In 1918 Professor W. F. Ogburn prepared a minimum family budget for the War Labor Board. He set the minimum figure at \$1,760.50. In December, 1919, Professor Ogburn prepared a budget for the bituminous coal mine workers. This minimum budget was set at \$2,143.94. In August, 1919, the United States Bureau of Labor Statistics made a careful estimate of the amount needed to maintain a family of five in health and decency in the city of Washington. At the market prices then prevailing this minimum budget was set at \$2,262.47. Prices continued to rise throughout the early months of 1920.

Now let us get at the facts as to the wages of workmen during this period of excessively high cost of living. Large numbers of people are convinced that railroad employees are now receiving exorbitant wages. The United States Railroad Labor Board has published the figures for 1,828,772 railroad employees.² The passenger engineers are the highest paid group. The United States Railroad Labor Board award of July, 1920, raised the wages of these engineers to an average monthly rate of \$288.82, or \$3,465.84 annually. The number of engineers receiving this rate was 12,350, or less than 1 per cent of the total number of employees. The number of railroad employees receiving as much as \$200 a month, or \$2,400 annually, was 171,025, or slightly more than 9 per cent of the total number. Among the clerical and

¹ Senate Document No. 415, 64th Congress, August 23, 1915, p. 22.

² United States Railroad Labor Board, Wage Series, Report No. 1, August, 1920. These average rates do not take into account periods of unemployment or overtime work.

station forces, maintenance of way and unskilled labor forces, a total of 940,025 employees, or just half of the total number, received less than \$122 a month, or \$1,464 annually. Of these, 275,352 section men, or 15 per cent of the total number of employees, received less than \$95 per month, or \$1,140 a year. A vigorous effort is now being made by the railroad managers to reduce the wages of their employees, in spite of the fact that from a quarter to a half million of them now receive an income insufficient to enable them to maintain a decent standard of living.

Another instance of high wages paid to skilled workmen is found in the steel industry, where a few skilled men earn from \$13.52 to \$32.56 a day, one man receiving this highest wage. The list of these highly skilled and highly paid men constitutes a fraction of 1 per cent of all employees. According to the Interchurch Report of the Steel Strike of 1919, "The annual earnings of over one-third of all productive iron and steel workers were, and had been for years, below the level set by government experts as the minimum *subsistence* standard for families of five. The annual earnings of 72 per cent of all workers were, and had been for years, below the level set by government experts as the *minimum of comfort* level for families of five. This second standard being the lowest which scientists are willing to term an 'American standard of living,' it follows that nearly three-quarters of the steel workers could not earn enough for an American standard of living."¹

Women's wages are even less adequate. In the survey made by the United States Bureau of Labor Statistics in 1919, of the 85,812 women employed in the 28 industries included in the survey, the average weekly wage was \$13.54. Approximately 21 per cent received less than \$11.00 per week, and approximately 15 per cent received less than \$10.00 per week.² A survey made by the Council of National Defence and Minnesota Bureau of Women and Children revealed that "17,459 women workers out of a total of 51,361, or 34.05 per cent, received less than a minimum subsistence wage."³ From the Tenth Biennial Report of the Department of Commissioner of Labor and Industrial Statistics of Louisiana, 1919-1920, we learn that of the 10,877 women employed in the department stores, offices and hotels investigated, 7,310, or 67 per cent, received less than \$7 per week.⁴

¹ "Report on the Steel Strike of 1919," p. 85.

² U. S. Dept. of Labor—Bureau of Labor Statistics—Bulletin 265.

³ Quoted in District of Columbia Minimum Wage Cases brief filed by Felix Frankfurter, p. 338.

⁴ Quoted in District of Columbia Minimum Wage Cases, brief filed by Felix Frankfurter. p. 348 (1920).

UNEMPLOYMENT

The facts in the case clearly indicate that vast numbers of men and women employed in industry receive less than a living wage. The situation is more serious than is revealed by this statement. Even in normal times hundreds of thousands of men and women are unable to find employment. This fact is emphasized in a report made in 1917 by Mr. Hornell H. Hart for the Helen S. Troun-
stine Foundation: "The number of unemployed in cities of the United States (entirely omitting agricultural labor, for which no reliable data are now available) has fluctuated between 1,000,000 and 6,000,000. The least unemployment occurred in 1906-1907 and in 1916-1917, while the most occurred in 1908 and in 1914 and 1915. The average number of unemployed has been two and a half million workers, or nearly ten per cent of the active supply."¹ The final report of the Commission on Industrial Relations informs us that "wage earners in the principal manufacturing and mining industries in the United States lose on the average from one-fifth to one-fourth of the working time during the normal year."² Government estimates of the extent of unemployment in the United States at the beginning of 1921 varied from 3,500,000 to 4,000,000.³

LONG HOURS

While hundreds of thousands of men are seeking in vain for employment, other thousands of men are working twelve hours per day. Concerning the twelve-hour day in the steel industry, the Interchurch Report on the Steel Strike of 1919 says: "Approximately half of the employees in iron and steel manufacturing plants are subject to the schedule known as the twelve-hour day (that is a working day from 11 to 14 hours long). Less than one-quarter of the industry's employees can work under 60 hours a week."⁴ The United States Steel Corporation has recently announced its intention of abolishing the seven-day week and of reducing the hours of the working day. It is only a question of time until it will be compelled by public opinion to abolish the twelve-hour day.

In a report made for the Charles M. Cabot Fund, published

¹ Hornell H. Hart, "Fluctuations in Employment in Cities of the U. S., 1902-1917."

² Final Report of the Commission on Industrial Relations, Senate Document No. 415, 64th Congress, p. 103.

³ *New York World*, January 27, 1921.

⁴ Report on the Steel Strike of 1919, pp. 44, 45.

in the *Survey* for March 5, 1921, Mr. John A. Fitch states that over 65 per cent of the workmen employed by the Carnegie Steel Company work the twelve-hour day. Mr. Herbert Hoover recently remarked that the twelve-hour day "transgresses to a point of inhumanity."

SUMMARY

Thus far we have enumerated as causes of unrest and strife the following: We have an acquisitive society, in which rights and privileges take precedence over functions and obligations; in which there is an excessive inequality of wealth and income, the few possessing an overabundance while many are poor and destitute; in which a large proportion of workmen are unable to earn an income sufficient to maintain a decent or comfortable standard of living; in which hundreds of thousands of workmen are unable, through no fault of their own, to obtain employment, while at the same time other thousands are compelled to work the twelve-hour day. To these evils we could add such others as: the overemphasis upon competition and the depreciation of coöperation; inefficiency, due to lack of training or to personal defects in character; suppression and intimidation, through control of the press and platform and through labor spies and under-cover men.¹

There are, of course, a multitude of other contributory factors to unrest and strife. Perhaps the ones we have mentioned are sufficient to justify the conclusion that there are grave defects in our present social order, which if neglected will surely bring disorder and disaster.

¹ See "The Labor Spy," by Sidney Howard, published by the New Republic, 421 West 21st Street, New York, price 15 cents. A 72-page pamphlet containing startling facts concerning industrial espionage.

PROPOSED SOLUTIONS

Various groups of men and women are earnestly seeking the solution of our many industrial problems. They are approaching the problem from different angles and have different suggestions to offer. This is fortunate. The whole problem is so complex that it is futile to anticipate the discovery of a panacea by means of which all of our social ills may be cured. We should, therefore, consider sympathetically any proposal advanced as a possible contribution toward the solving of our complex industrial problems. Let us now examine very briefly a number of the proposed remedies.

INCREASED PRODUCTION

The group known as industrial engineers is preaching a gospel of maximum production of goods with the minimum expenditure of energy. They point out that at present industry is highly inefficient and wasteful. Concerning conditions during even the war-time rush of 1918, Mr. H. L. Gantt, an expert engineer, said: "On the whole, only about 50 per cent of our industrial machines are actually operating during the time they are expected to operate; and on the whole these machines, during the time they are being operated, are producing only about 50 per cent of what they are expected to produce. This brings our productive result down to about one-fourth of what it might be if the machines were run all the time at their highest capacity."¹

Mr. John Leitch expresses the opinion that "we have not, during the past ten or fifteen years, secured more than 40 per cent of our labor efficiency; that is, we have wasted probably 60 per cent of our manufacturing capacity."²

Writing in the *Annals of the American Academy of Political and Social Science*, for May, 1915, Mr. J. Russell Smith said: "It is not difficult to figure up a total possibility of 300 to 400 per cent easy increase in the national production by the general application of methods now well known and practiced by thousands."

¹ Quoted in Lionel D. Edie, "Current Social and Industrial Forces," p. 32.

² John Leitch, "Man-to-Man," p. 17.

The industrial engineers are striving to make this potential increase in production a reality. They have a valuable contribution to make toward solving our social and industrial problems.

WELFARE WORK

A large group of employers seeks to overcome unrest and strife by improving working conditions. This is a commendable spirit. Much needs to be done along this line. Large numbers of workmen are constantly exposed to danger from accidents and industrial poisons. Mr. Frederick L. Hoffman, of the Prudential Life Insurance Co., estimates that approximately 25,000 wage-earners are killed in our industries each year, and that about 700,000 are disabled for a period of more than four weeks.¹

The United States Steel Corporation has set a commendable example in providing for the safety of its employees. Mr. C. W. Price, General Manager of the National Safety Council, estimates that this corporation has reduced the number of deaths in its plants from accidents approximately 80 per cent.²

There can be no doubt that by means of the various forms of welfare work promoted by different employers, the working conditions of large numbers of employees have been greatly improved. Those employers who have led the way are entitled to credit and praise.

Two objections are often raised with regard to welfare work. The first is that the whole scheme is often paternalistic. The employees usually have little voice in determining such matters for themselves. All they have to do is to take advantage of the privileges offered them. The second objection is more serious. It is contended that some employers undertake welfare work simply as a means of combating labor unions and industrial democracy. It is even said that certain corporations use welfare work as a means of diverting public attention from other highly undesirable practices, such as low wages, long hours and industrial autocracy.

Genuine welfare work does have a contribution to make toward the solving of our industrial problems. Paternalism is not so good as democracy, but the benevolent employer surely is an improvement over the one who is unconcerned as to the welfare of his employees. Public opinion, however, should never allow

¹ F. L. Hoffman, "Industrial Accidents," p. 44.

² Quoted in *Literary Digest*, April 17, 1920, p. 46. The United States Steel Corporation, 71 Broadway, New York, will send upon request a booklet, "Welfare Work in the Steel Industry," by Charles L. Close. Bulletin No. 250 of the U. S. Bureau of Labor Statistics describes various kinds of welfare work now being undertaken.

welfare work to become a cloak to cover vicious practices on the part of employers.

‘EMPLOYEES’ REPRESENTATION

Many employers are recognizing the advisability of granting their employees a larger share in determining working conditions. A host of experiments are now being made in this realm. One of these is the plan inaugurated by Mr. John Leitch.¹ This scheme provides for a form of industrial government patterned after our Federal Government, with a Cabinet, a Senate and a House of Representatives. The International Harvester Company has an Industrial Council, composed half of representatives of the employees and half appointed by the managers, with provision for the selection of neutral arbitrators when required. This Council has full power in the matter of wages, hours and conditions of work.²

The Colorado Fuel and Iron Company has been successful with its plan of employees’ representation.³ Proctor & Gamble, of Cincinnati, have elected three of their employees to membership upon their Board of Directors. The Dutchess Bleachery, Wappingers Falls, New York, Wm. Filene & Sons of Boston, the Dennison Manufacturing Company of Framingham, Massachusetts, and many other employers have achieved marked success with various forms of employees’ representation.⁴

Messrs. Hart, Schaffner & Marx have been pioneers in this field and have achieved remarkable results through their Labor Agreement. This agreement is reached through collective bargaining directly with the Amalgamated Clothing Workers of America, an unusually strong labor union, and covers a wide scope, including rates of pay, hours, preference in hiring, discipline, discharge of workers. The larger measure of government in industry, achieved has been highly satisfactory both to the company and to the employees. This experiment deserves careful study by all students of industrial problems.⁵

¹ This plan is fully described in his book, “Man-to-Man.”

² A pamphlet, “The Harvester Industrial Council,” describing this plan may be secured from the International Harvester Co., Chicago, Ill.

³ This scheme is described in a pamphlet by Mr. John D. Rockefeller, Jr., called “The Colorado Industrial Plan.” Copies may be secured from Mr. Rockefeller, 26 Broadway, New York City.

⁴ The Bureau of Industrial Research, 289 Fourth Avenue, New York City, has issued a 38-page pamphlet, called “American Company Shop Committee Plans,” which contains a digest of twenty plans of employees’ representation. Price \$1.00.

⁵ Mr. Earl Dean Howard, Director of Labor for Hart, Schaffner & Marx, has issued a 97-page book called “Industrial Law in the Clothing Industry,” describing the plan in full. Copies may be secured from Hart, Schaffner & Marx, Chicago, Illinois.

All genuine experiments with employees' representation should be encouraged. Undoubtedly real progress is being made along this line. There is a widespread feeling, however, that some employers are using "company unions" and bogus schemes of employees' representation as weapons with which to destroy effective combinations of workmen and to forestall genuine democracy in industry. Public opinion should give credit where it is due, but should not be deceived by insincere schemes of employees' representation.

THE EMPLOYERS' OPEN SHOP CAMPAIGN

An important group of men, chiefly employers, is convinced that much of the present trouble is due to labor agitators and dictation by labor unions. This group seeks to eliminate these disturbers and improve conditions by means of the open shop. As they define it, an open shop is one in which "no persons shall be refused employment or in any way discriminated against on account of membership or non-membership in any labor organization."¹

The theory of the employers' open shop is that no discrimination shall be made against any man because of membership or non-membership in a labor union. As a matter of fact, however, some employers are using the open shop as a weapon against union men and are seeking, usually secretly, to destroy the power of labor unions.

Concerning the testimony presented before the Lockwood Committee in New York City, Mr. John A. Fitch says: "Throughout the testimony it was evident that the kind of open shop that the steel corporations are attempting to enforce in the building trades of New York and Philadelphia is one where union men cannot get a job, and the way in which this kind of open shop is maintained is through organization of the industry and the exercise of coercion."²

In theory many employers grant the right of men to organize in unions, in practice many of these men are seeking vigorously to make the unions weak and ineffective. The attitude of many employers is well described by Ray Stannard Baker: "Yes, we believe in unionism, but damn the unions."

¹ For a defence of the open shop campaign see the "Debater's Handbook," issued by the National Association of Manufacturers, 30 Church Street, New York City. The opposite point of view is presented in "The Open Shop Drive" by Savel Zimand, published by the Bureau of Industrial Research, 289 Fourth Avenue, New York City. Price 50 cents, students 25 cents.

² *Survey*, January 1, 1921.

Ex-President Taft has expressed his opinion of such a practice in the following words: "It is the custom of Bourbon employers engaged in fighting labor unionism to the death to call a closed non-union shop an open shop and to call the movement to kill unionism an open-shop movement. This is a deceitful misuse of the term."¹

The Committee on Industrial Relations, of the Merchants' Association of New York, recently submitted a report in which the following comment was made upon the present open-shop drive: "Your Committee deplores the disposition on the part of some employers who are using the term 'open shop' to work toward a condition of the closed non-union shop by discriminating against union men. It likewise regrets that the operation of the closed union shop frequently results in restriction of output and limitation of available labor supply."²

Concerning those employers who say they have no objection to their employees joining labor unions but who refuse to recognize or deal with the unions, the National Catholic Welfare Council has this to say: "Of what avail is it for workers to be permitted by the employers to become members of unions if the employers will not deal with unions? The workers might as well join golf clubs as labor unions if the present 'open shop' campaign is successful. The 'open shop' drive masks under such names as 'The American Plan' and hides behind the pretense of American freedom. Yet its real purpose is to destroy all effective labor unions, and thus subject the working people to the complete domination of the employers."³

The Federal Council of the Churches of Christ in America has issued a statement in which it is declared that: "The relations between employers and workers throughout the United States are seriously affected at this moment by a campaign which is being conducted for the open shop policy—the so-called American Plan of Employment. These terms are now being frequently used to designate establishments that are definitely anti-union. Obviously, a shop of this kind is not an open shop but a closed shop—closed against members of labor unions."⁴

The real open shop is one thing, the present agitation often involves quite a different thing. *The real issue is that of collective bargaining*, the willingness of employers to deal with representatives chosen by organized groups of workmen. Without the right

¹ Quoted in *The Baltimore News*, February 5, 1921.

² Quoted in the *Information Service*, of the Research Department of the Federal Council of Churches, April 1, 1921, p. 6.

³ Quoted in "The Open Shop Drive," pp. 45, 46.

⁴ *Ibid.*

and ability to bargain collectively, workmen are at the mercy of employers. Employers are organized. Their associations are enormously powerful. An individual employer does not usually stand alone in his struggle against his own employees. This fact is brought out in the statement of principles of the American Employers' Association, in which it is stated: "In the event of a strike or similar trouble, financial support should be given to the one afflicted and also moral support. This is an important factor in the hour of trouble."¹

The necessity of national organizations of workmen was emphasized by Mr. Louis D. Brandeis, now Justice of the Supreme Court, in his testimony before the Industrial Relations Commission: "To suggest that labor unions can be effective if organized on less than a national scale seems to ignore entirely the facts and trend of present-day American business."²

Concerning the right of workmen to organize and to bargain collectively, the United States Senate Committee on the Steel Strike said: "The Committee is agreed that the principle of collective bargaining is a right of men working in industry."³ In the principles of the War Labor Board it is stated: "The right of workers to organize in trade unions and to bargain collectively through chosen representatives is recognized and affirmed. This right shall not be denied, abridged, or interfered with by the employers in any manner whatsoever."⁴ Mr. Herbert Hoover expresses the opinion that "the attitude of refusal to participate in collective bargaining with representatives of the employees' own choosing, is the negation of the bridge to better relationship."⁵

The present open shop campaign offers no solution of our industrial problems. As ex-President Taft says: "The principle of combination among workmen is indispensable to their welfare and their protection against the tyranny of employers. But if the employers are now to unite in an effort by closed non-union shops to suppress labor unions in hard times and to establish a bulwark against their revival when demand for labor returns, they are attempting the unwise, the unjust and the impossible."⁶

TRADE UNIONS

Large groups of workmen have become convinced that organization is their only escape from tyranny and injustice. The

¹ Quoted in the *American Federationist*, February, 1921.

² "Final Report of the Commission on Industrial Relations," p. 65.

³ U. S. Senate Committee on "Investigation of Strike in Steel Industries," Nov. 8, 1919, 66th Congress, Report No. 289.

⁴ Quoted in "The Open Shop Drive," p. 10.

⁵ Quoted in John A. Ryan, "Capital and Labor," p. 9.

⁶ Quoted in *The Baltimore News*, February 5, 1921.

validity of this conclusion is generally recognized. As long as they remain unorganized, workmen are at the mercy of employers.

The American trade union movement dates from the end of the 18th century. National organizations of workmen came into existence about the middle of the last century. In 1886 the American Federation of Labor was organized by "delegates from twenty-five organizations, representing a membership of 316,469." "In 1919 the Federation embraced 111 national and international unions, 46 state federations, 816 central city bodies, and 33,852 local unions."¹ Not included in the Federation are the powerful Railway Brotherhoods, the Amalgamated Clothing Workers, and other strong unions.

The American Federation of Labor is a conservative organization. It has never sought to overthrow the present social order. It has frankly accepted capitalistic production and has devoted its energies almost entirely to the task of obtaining for its members higher wages, shorter hours and improved working conditions.

The organized trade union movement has undoubtedly been instrumental in raising wages, reducing hours and improving working conditions, not only for union men but for great masses of unorganized workmen as well. Unfortunately, however, the trade unions in America have conspicuous weakness. They have often been notoriously weak in leadership. Some of their walking delegates and officials have been notoriously corrupt. Not all of this sort have been sent to jail. On too many occasions trade unions have broken their contracts. They have often been guilty of deliberate limitation of output. They have occasionally advocated the closed-union in a closed-shop, thus limiting the number of workmen who might engage in a given industry. Another weakness is to be found in the lack of an adequate educational program for union members.

In spite of the serious weaknesses and faults of trade unions, the organized labor movement deserves the hearty support of workmen and all others who desire the establishment of such conditions as will promote industrial peace and prosperity. As Roger Babson reminds us, organized labor is now in its adolescence and liable to all the excesses of youth. Organized labor, however, is imperatively needed to resist the tyranny of privileged classes.

There are indications that many labor leaders are now recognizing the weaknesses and limitations of the trade union movement. A new emphasis is now being placed upon an adequate educational program. Various experiments in workers' education are being

¹ Mary Beard, "A Short History of the American Labor Movement," p. 98. This book is perhaps the best brief history of the American labor movement.

made by trade unions, especially in New York, Chicago, Philadelphia, Pittsburgh, Boston, Seattle, Cleveland and Washington. This deeper interest in education is exceedingly significant and holds great promise for the future.¹

Many trade union leaders are seeking to promote more cordial relations with the so-called brain workers, and desire to see them welcomed into the ranks of organized labor. This is encouraging. Workers by hand and workers by brain can supplement each other. Strenuous efforts should be put forth to promote harmonious relations and effective coöperation between these two groups.

With better leadership and higher ideals, the trade union movement has an enormously important contribution to make toward the solving of our industrial problems.

THE COÖPERATIVE MOVEMENT

The trade union movement is an organization of producers. The coöperative movement is an organization of consumers. The purpose of the coöperative movement is to organize consumers so that through coöperative buying they may be able to avoid exploitation at the hands of manufacturers and distributors. It seeks to eliminate middlemen and to aid the consumer in purchasing direct from the manufacturer or grower, and to own its factories and acreage.

The coöperative movement now exists in almost all countries of the world. Dr. James Peter Warbasse tells us that "in Europe it now embraces one-third of the population, and carries on every form of useful industry; some of these are the largest of their kind. In some countries a majority of the people are included in the coöperative movement. The organized societies in each country are federated in the world movement through the International Coöperative Alliance."

In England especially the movement has assumed huge dimensions. There are now 1,467 societies, with 4,182,019 members, with annual sales for the factories, wholesale and retail stores, of approximately \$1,500,000 (£324,781,079), with a capital of approximately \$450,000,000 (£98,801,231), with an annual net surplus of approximately \$100,000,000 (£21,809,563) to be divided among the members, with 187,535 employees.²

¹ See Arthur Gleason's "Workers' Education," a 64-page pamphlet published by the Bureau of Industrial Research, 289 Fourth Avenue, New York City. Price 50 cents, to trade union members and students 25 cents.

² *The People's Year Book* (1921), p. 49. This book contains valuable information and statistics concerning coöperation, labor and allied subjects. Price 75 cents.

From the *British Labour Year Book* of 1919 we learn that "the Wholesale Societies now own 17,519 acres of tea plantations in Ceylon and Southern India, and in 1917, the English C. W. S. bought 10,000 acres of wheat lands in Canada, concessions on the West Coast of Africa and in Nigeria; several farms at home, making it the owner of 12,400 acres in the counties of Lancashire, Yorkshire, Cambridge, Herefordshire, Cheshire, and Shropshire; it also acquired several textile mills, bought a colliery, and started a margarine works."

The movement in the United States has grown rapidly within recent years, especially among farmers and trade union members. There are now more than 3,000 coöperative stores in the United States.¹ The idea behind the coöperative movement is fundamentally sound. Coöperative buying is certain to increase. This movement deserves careful study and earnest support. It has an important contribution to make.

LABOR PARTY

There is an increasing conviction on the part of many persons that organized labor should enter politics with an independent party. Those who hold this view point out that both of the regular political parties are under the domination of financiers and business men, that there is little difference in their policies and programs, and that the masses can never hope to secure justice without independent action.

Organized labor in England has had an independent political party since 1893, when the Independent Labour Party was founded. In 1899-1900 the Labour Party was formed and in 1906 29 labour representatives were returned to Parliament. In 1919 the Labour Party had an affiliated membership of 3,511,290,² and this number has been greatly increased since that time. At the General Election of December 14, 1918, 62 representatives of the Labour Party were elected to Parliament. Labor candidates have been successful in a number of by-elections since that time. It is freely predicted that a Labour Government will come into power in England within the next decade.

The main policies of the British Labour Party are embodied in a report issued in 1918 under the title, "Labour and the New

¹ See James Peter Warbasse, "The Coöperative Consumers' Movement in the United States," a 12-page pamphlet published by the Coöperative League of America, 2 West 13th Street, New York City. Full information concerning the starting of a coöperative society may be secured from this League.

² *The People's Year Book* (1921), p. 399.

Social Order.”¹ The four fundamental propositions of this report are:

(1) The universal enforcement of a national minimum; whereby all the requisites of a healthy life and worthy citizenship, including a prescribed minimum of health, leisure, education and subsistence are assured to every person.

(2) The democratic control of industry; demanding the progressive elimination of the private capitalist from the exclusive control of industry and the scientific reorganization of the nation's industry on the basis of the common ownership of the means of production; involving the nationalization of the railways, mines, shipping, canals, and other vital industries.

(3) The complete reform of national finance; instituting a system of taxation designed to obtain the necessary revenue from the largest incomes and biggest private fortunes, including steeply graduated income and inheritance taxes.

(4) The surplus wealth to be used for the common good; preventing the monopolistic absorption of the wealth of the community by individual proprietors; to be achieved by means of nationalization and democratic control.

In the United States labor candidates have from time to time been elected to various municipal, state and national offices. Prior to the 1920 election the Farmer-Labor Party was organized. That the vote of its candidates was not larger was due in part to the refusal of the American Federation of Labor to coöperate in promoting a new party. In large measure it was due to the general ignorance and apathy of the workers. Efforts are now being made to arouse the workers to the support of this new party, and plans are being made for the nomination of labor candidates in the coming state and national elections.²

In England, Australia, New Zealand and other countries, labor parties have exerted a wholesome influence and have supplemented and strengthened the efforts of trade unions to raise the standard of well being among the working classes.

¹ Copies may be secured from the *New Republic*, 421 West 21st St., New York, for five cents. A full discussion of this report may be found in Chapter 7 of Professor Harry F. Ward's recent book, "The New Social Order."

² Full information concerning the plans of the Farmer-Labor Party may be obtained from the columns of the weekly periodical, *The New Majority*, published in Chicago, subscription price \$2.50 per year.

SOCIALISM

Socialism is concerned with causes, ends and means.¹ The first of its fundamental doctrines—the economic interpretation of history—has to do with causes. Marx and many succeeding socialists contend, to quote Bertrand Russell, “that in the main all the phenomena of human society have their origin in material conditions.” According to this view, politics, law, philosophy and religion are determined primarily by economic factors.

Socialists analyze the present industrial order and bring a severe indictment against it, pointing out the enormous waste and inefficiency in production and distribution, and the existence of widespread poverty among the masses and excessive luxury among the privileged. They maintain that these sharp contrasts are inevitable under a system of capitalistic production. In order to alleviate human misery, and to increase human happiness, they propose, therefore, to abolish capitalism and to substitute a new industrial order to be known as the socialist commonwealth.

A second doctrine of socialism—communal ownership and democratic control of land and capital—has to do with ends. Socialists are not agreed as to the extent of communal ownership. In this connection, Dr. Harry W. Laidler, secretary of the Intercollegiate Socialist Society, says: “Socialists do not believe in the elimination of private property. They do not advocate the public ownership of all industry. Voluntary coöperation and private ownership may exist to a considerable extent under Socialism, particularly in the handicraft industry, in farming and in intellectual and artistic production. Public utilities, natural resources and basic industries, however, should, socialists believe, be owned by the municipality, state and nation, in order that exploitation may cease, that waste may be eliminated and that equality of economic opportunity may be secured. . . . Contrary to a widespread belief, socialists are not opposed to inequality of compensation if such inequality is based on a difference of ability and productivity, and seems necessary from the standpoint of social efficiency.”²

A third doctrine of socialism—the class struggle—deals with means. Socialists are not agreed as to the weapons of the class struggle, some advocating violent revolution, others putting their

¹ See Bertrand Russell, “Proposed Roads to Freedom,” for a suggestive discussion of Marx and socialist doctrines. See also Dr. Harry W. Laidler, “Socialism in Thought and Action,” for a comprehensive discussion of socialism. For a vigorous criticism of socialism see O. D. Skelton, “Socialism: A Critical Analysis.”

² Harry W. Laidler, “Study Courses in Socialism,” pp. 11, 12.

dependence in the ballot and united economic action. An overwhelming majority of socialists in England and America are opposed to violence and seek to bring about gradual constitutional changes by means of the ballot, supplemented by the coöperative movement, economic action and education. This fact was brought out by Mr. Morris Hilquit in the course of the expulsion trial of the socialist assemblymen at Albany, in these words: "I think I shall not be contradicted if I say that they have not read a single official party declaration or any other authoritative socialist statement advocating violence as a means of attaining the socialist ends. . . . We socialists, as strong believers in social evolution have always been the first to decry and ridicule the romantic notions of changing the fundamental forms of society, the economic basis of society, by acts of violence or by conspiracy."¹

Socialism has many critics. Conservative thinkers criticize socialism because of its radicalism. Left wing radicals criticize socialism because of its conservatism. Among the conservative criticisms most often advanced are the following: Socialism would stifle incentive, decrease efficiency, produce mediocrity, increase bureauracy, increase political corruption, fail to provide for future improvements in industry, destroy religion and the family. Socialists maintain that these are not valid objections, that all of them have been successfully answered.

Socialism in one form or another is sweeping across Europe. For good or evil, it is a force to be reckoned with. Every student of social problems should, therefore, thoroughly familiarize himself with the arguments for and against socialism.

SYNDICALISM

Mr. Bertrand Russell tells us that "syndicalism arose in France as a revolt against political socialism." He further informs us that "syndicalism stands essentially for the point of view of the producer as opposed to that of the consumer; it is concerned with reforming actual work and the organization of industry, not merely with securing rewards for work. It aims at substituting industrial for political action."²

The essential doctrines of syndicalism are producers' control and the class-war. The chief industrial weapons used are sabotage and the general strike. Syndicalists are advocates of industrial unionism, as contrasted with craft unions; that is, they seek one

¹ Morris Hilquit, "Socialism on Trial," pp. 34, 35.

² Bertrand Russell, "Proposed Roads to Freedom," pp. 56, 62.

big union instead of many small craft unions. Syndicalists desire not only to destroy capitalism, they seek also to destroy the political state. They would have government entirely in the hands of the producers. Syndicalists believe in direct action.

In the United States, the I. W. W. is a syndicalist organization, advocating industrial unionism and control by the workers. Mr. Russell quotes the secretary of this organization as saying: "There is but one bargain the I. W. W. will make with the employing class—complete surrender of all control of industry to the organized workers."¹

THE NATIONAL GUILD MOVEMENT

Within the last decade a new solution has been proposed, chiefly by a small group of influential scholars in England. The followers of this movement call themselves National Guildsmen. They are vigorous critics both of state socialism and syndicalism. They object strenuously to the high degree of centralization and bureaucracy of state socialism. Most guildsmen differ from syndicalists in desiring to retain the political state.

National guildsmen would make use of both political and industrial methods in bringing about the new social order. The essentials of the guild system may be summarized briefly as follows: (1) Government by function; (2) self-government in each industry; (3) decentralization; (4) abolition of the wage system.

In the place of two branches of government, House of Lords and House of Commons or Senate and House of Representatives, both political and elected on a territorial basis, most National Guildsmen would have two houses; one political, with representatives elected on a territorial basis; one industrial, with representatives elected by trades or industries.

National Guildsmen advocate state ownership of natural resources and basic industries. They do not, however, believe in state operation. They would have each of the basic industries controlled and operated by a national guild, composed of all persons employed in that industry, including managers, foremen, clerks, skilled mechanics and manual workers.

National Guildsmen strongly advocate decentralized control, in

¹ Quoted in Russell, p. 77.

There are two reasons why we do not include in our list of proposed solutions a discussion of the Russian Soviet Republic: first, the extreme difficulty of arriving at the facts as to what is actually taking place in Russia; and, second, the rapid changes which are being made in the policies of the Soviet Government.

political government and in industrial government. By decentralization they hope to avoid bureaucracy.

National Guildsmen would abolish the wage-system, where human labor is regarded as a commodity and bought in the labor market on a basis of supply and demand, and would substitute therefor a system of pay as a human being, the amount of pay to be determined by the cost of maintaining a satisfactory standard of living and by the nature and degree of service rendered to the community. They do not advocate equality of pay, but they would pay in times of sickness and unavoidable unemployment.

Many careful observers are convinced that the trend of the times is in the direction pointed out by the National Guildsmen. The members of this movement are not agreed among themselves on all points. The movement is in its infancy and its permanent policies are yet to be determined. An increasing number of scholars and leaders are convinced, however, that it has within it vital elements of worth and is surely destined to make a contribution toward the solving of our social problems.¹

CHRISTIAN PRINCIPLES

The need of a deeper emphasis upon the human factor in industry is increasingly recognized. Enormous strides have been made within recent years on the mechanical side of production. We are not so well off in the realm of human relationships. This is the soil in which most of our difficulties are rooted. We are coming to realize that schemes and systems are insufficient in themselves. What is needed is a new spirit, a new attitude, a new motive, a new relationship. If all parties concerned were motivated by the proper spirit, any one of several kinds of social organization would be satisfactory. Without the proper spirit, no scheme or system will produce the desired social order.

Religion is concerned with relationships. Within recent years the churches have realized the importance of applying the fundamental principles upon which they are founded to industrial problems. Most of the influential church bodies have issued official pronouncements concerning Christianity and social questions.

In England the Archbishops' committee submitted a most vigorous and challenging report.² The Committee on the War and

¹ Among the many recent books dealing with the guild movement those of G. D. H. Cole are probably the most vigorous and stimulating, especially his "Self-Government in Industry" (1919 edition with special introductory chapter giving his changed viewpoint) and his "Guild Socialism Re-Stated."

² An excellent 147-page book, entitled "Christianity and Industrial Problems," published by the Society for Promoting Christian Knowledge, 6 St. Martin's Place, London, W.C. 2.

the Religious Outlook, composed of a score of Christian leaders in the United States, has recently issued a notable volume, called "The Church and Industrial Reconstruction."¹ The Report on the Steel Strike of 1919, issued by the Commission of Inquiry of the Interchurch World Movement, has been widely circulated.²

The Federal Council of the Churches of Christ in America has issued a pronouncement called "The Social Ideals of the Churches."³ The National Catholic War Council has issued a statement dealing with "Social Reconstruction."⁴ The Central Conference of American Rabbis has issued a "Social Justice Program."⁵ Numerous church conventions have adopted official declarations on the social question.

What are the principles of Jesus that have a bearing upon our present industrial problems? Mr. Sherwood Eddy has outlined these principles as follows:

(1) **PERSONALITY**, involving the infinite and equal worth of every human being; man is always an end, never a means to an end, and is of more value than all material possessions.

(2) **BROTHERHOOD**, involving the close kindred of the human race; all persons are members of one family, with God as common Father; all are bound together in social solidarity; no man can live to himself; all men are mutually dependent, and each should love his neighbor as himself.

(3) **SERVICE**, as the chief motive of all endeavor; service for the common welfare receiving supremacy over the seeking of private gain.

(4) **LIBERTY**, involving the right of each individual to self-realization, self-expression and self-determination; obligating Christians to aid in providing these things for all men.

(5) **JUSTICE**, involving the condemnation of all forms of exploitation and oppression of the weak by the powerful; condemning the neglect of the needy by the more fortunate.

¹ Published by Association Press, 347 Madison Avenue, New York City. 296 pages, cloth binding \$2, paper cover \$1. This book should be owned by every student of industrial problems.

² Published by Harcourt, Brace & Howe, 1 West 47th Street, New York City. Cloth binding \$2.50, paper cover \$1.50. For a criticism of this report see "Mistakes of the Interchurch Steel Report," by Rev. E. Victor Bigelow; copies may be obtained from the United States Steel Corporation, 71 Broadway, New York City.

³ "The Social Ideals of the Churches" may be secured from The Federal Council of the Churches of Christ, 105 East 22nd Street, New York. It is also printed as an appendix in "The Social Task of the Church, as set forth by the Lambeth Conference." This latter is a valuable 28-page pamphlet and may be obtained from the Department of Christian Social Service, 281 Fourth Avenue, New York. Price 25 cents.

⁴ Copies may be obtained from the Council, at 1312 Massachusetts Avenue, N.W., Washington, D. C.

⁵ This was published in the *Survey*, for September 1, 1920. Copies may be secured from Rabbi Horace J. Wolf, Rochester, New York.

(6) ACCOUNTABILITY, involving responsible stewardship of all talents, wealth and privileges; the degree of responsibility and obligation to be determined by ability and opportunity; God is the owner of all, man is a steward and is responsible to God and man, as his brother's keeper.

(7) LOVE, the culmination and summary of the principles of Jesus; the two great commandments being love toward God and love toward man; love expressed in the Golden Rule constituting the corner stone of the Kingdom of God, the name Jesus used for the new social order.

Few Christian men would deny that Personality, Brotherhood, Service, Liberty, Justice, Accountability and Love are the great social principles of Jesus or that he called men to live in accordance with these principles. The difficulty comes in determining how and when to apply these principles in concrete situations. Living as we do in such a complex social order, there is surely room for honest differences of opinion between Christian men concerning programs and policies. And yet, in the light of these principles, are there not certain aspects of the industrial problem upon which all of us should be agreed?

In the light of the principle of the infinite worth of Personality, should not the first charge on industry be the support and protection of all persons engaged in that industry? Does not such support and protection involve an income sufficient to maintain a standard of living in decency and comfort, provision or insurance against unemployment, regulation of hours of work, provision of safety devices and the adoption of health measures?

In view of the principle of Brotherhood, should not coöperation in industry be substituted for merciless competition? Should not friendly relations and coöperative effort be substituted for bitterness and class-strife?

Judged by the principle of Service, is a person justified in seeking first his own private gain? Should not the nature and degree of service rendered be the test of approbation and reward? Does not this principle involve individual and social efficiency and the maximum development of industry consistent with the welfare of the workers?

In the light of the principle of Liberty, is not the test of industry the degree of opportunity given to employer and workman to attain self-realization, self-expression and self-determination? Does not this involve the right of workmen to organize and to bargain collectively through representatives of their own choosing? Does not self-expression involve an increasing degree of

self-government and democracy in industry, as in the political realm?

In view of the principle of Justice, what shall we say concerning the excessive inequality of wealth and power? Does not this principle demand at least an approximate equality of opportunity for all men? Do children born in the homes of the poorer two-thirds of our population have approximate equality of opportunity with those born in homes of luxury and privilege?

Judged by the standard of Accountability, is there any justification for selfish expenditure and excessive luxury? Does any man possess the right to use his power and property in such a way as to do great harm to his fellows, or to withhold his power or property from service for the good of all? Is any man justified in wasting or using inefficiently his labor and energy? Is society justified in allowing a privileged few to monopolize the returns from natural resources and from the toil of the masses?

If Love is the dominating principle, what shall we say of class bitterness? Does the intensity of competition in modern industry increase or decrease good will among the various employers? Is the Golden Rule widely observed in modern industry?¹

NEXT STEPS

Let us summarize briefly the major facts outlined herein. We are living in a time of universal unrest and commotion. Our society is an acquisitive one, in which personal rights and privileges take precedence over functions and obligations. We are confronted, on the one hand, with a vast concentration of wealth and power, and, on the other, with multitudes who are living in actual poverty or on the borderland of destitution. A disconcertingly large proportion of our wage earners, through low wages and unavoidable unemployment, receive an annual income quite insufficient to maintain them and their families in decency and comfort, in spite of the fact that many of them are obliged to work inhumanly long hours. The solutions proposed are numerous and varied, ranging from paternalism and benevolent industrial autocracy to exclusive workers' control.

When confronted with such complex problems and such varied solutions, what are we to do? Three things, it seems to the present writer.

¹ Readers will find it profitable to send five cents for a copy of "The Golden Rule in Business," by Arthur Nash, published by the Murray Press, 359 Boylston Street, Boston. This is a vivid account of an employer who sought to run his business on a basis of the Golden Rule. As a result, production was increased enormously, wages were raised, prices were lowered, and harmonious relations were established.

First, we must get a clear grasp of the great ethical principles which are to be used as our scale of values. This is absolutely imperative. For the Christian, this will necessitate a fresh study of the teaching of Jesus, and an effort to catch his spirit and viewpoint. We can proceed safely only as we are sure of our ethical principles.

Second, we must ascertain the facts in the case. Decisions must be based upon fact, not upon prejudice or passion. One of our greatest dangers is intolerance, the refusal to consider both sides of a question or to grant to others an equal right to their own opinions. Suppression and denunciation simply mean further confusion. Only as we proceed with open mind and earnest purpose can we hope to discover the facts in the case. Without the facts, our principles are of little avail.

Third, we must seek to apply the principles to the facts. We must test the facts by the principles, and reach our decision and determine our program accordingly. This involves the willingness to make experiments in seeking adequate solutions. To apply high ethical principles to the facts of modern industry requires courage. Patience is another needed virtue. We shall look in vain for a speedy "cure-all." The attitudes and traditions of modern society are rooted far back in human history. Modern industry cannot be reconstructed over night. Disappointment awaits the person who is depending upon some panacea to solve our industrial problems quickly.

The very seriousness of the present situation constitutes a stirring challenge. The demand is for the same degree of loyalty to conviction, the same willingness to live or die for vital principles, the same courage and steadfastness in the presence of danger, that has motivated the highest type of soldier, statesman, martyr and missionary. The issue at stake is nothing less than the fate of civilization and the progress of the Kingdom of God.

APPENDIX I: THE COLLEGIATE INDUSTRIAL RESEARCH MOVEMENT

A notable development in relating college students to the problems of the industrial world has been the Collegiate Industrial Research Movement. Under expert leadership a score of university students from several western colleges engaged as common laborers in various industries in Denver last summer. Several evenings a week they met in seminars as a discussion group. They were all Christian men, seeking with open mind and without prejudice sympathetically to understand both the employers' and workers' point of view. Four of them were working on the street car lines at the time of the great Denver car

strike. One night they would hear the case of the company stated by its representative, the next night the case of the strikers stated by the labor leader, on another evening the legal aspects of the case would be stated by one of the counsels. The next night a social service expert would speak to the students and be questioned by them. Following this invaluable experience, which let them see something of the very heart of the labor problem, they returned to college with a small amount of money to help on expenses during the coming year. These men are now pursuing their studies in sociology and economics, or studying the industrial problem in regular meetings throughout the college year. During the coming summer similar groups of Christian students under sane and safe leadership will enter industry in a number of the great industrial cities of America. They are thus helping to bridge the gulf between the educated and the uneducated, the Church and the masses, the privileged and the unprivileged, capital and labor.

The requirements for admission to a group are (1) attendance at a Student Conference; (2) agreement to enroll for the entire course (six to eight weeks) and to abide by regulations; (3) payment of the registration fee of \$.55; (4) the passing of a physical examination; (5) brief preliminary reading such as "The New Spirit in Industry," "What's on the Worker's Mind," "The Church and Industrial Reconstruction."

Those desiring further information may consult the local college Y. M. C. A. president, General Secretary, State and International Student Secretaries, or address the Student Department of the International Committee, 347 Madison Avenue, New York City.

APPENDIX II: LIST OF BOOKS ON CURRENT PROBLEMS

Savel Zimand, MODERN SOCIAL MOVEMENTS, 240 pages, published by the Bureau of Industrial Research, 289 Fourth Ave., New York. The latest and most comprehensive descriptive bibliography on social problems. Price, \$1.80.

Walter Rauschenbusch, THE SOCIAL PRINCIPLES OF JESUS, 198 pages, Association Press, 347 Madison Ave., New York, \$1.15. An excellent text-book, with divisions for daily study.

The Committee on the War and the Religious Outlook, THE CHURCH AND INDUSTRIAL RECONSTRUCTION, Association Press, 297 pages, Cloth \$2, paper cover \$1. Perhaps the best statement with regard to the application of Christian principles in modern industry, with chapters on Unchristian Aspects of the Present Industrial Order, Present Practicable Steps Toward a More Christian Industrial Order.

R. H. Tawney, THE ACQUISITIVE SOCIETY, Harcourt, Brace & Co., New York, 188 pages, \$1.50. A most stimulating discussion of Rights and Functions, Property and Creative Work, Industry as a Profession, etc.

Harry F. Ward, THE NEW SOCIAL ORDER, Macmillan Co., New York, 384 pages, \$2.50. A vigorous discussion concerning the application of Christian principles in modern society.

WHAT IS THE CHRISTIAN VIEW OF WORK AND WEALTH, published by Association Press, New York, 94 pages, \$.85. Chiefly a series of brief quotations from various authorities dealing with the social problem.

Sherwood Eddy, EVERYBODY'S WORLD, George H. Doran Company, New

- York, 271 pages, \$1.90. A vivid account of a working tour around the world. Contains chapters on the Near East, Russia, Japan, China, India, and Anglo-Saxon Responsibility.
- THE COMMISSION OF INQUIRY OF THE INTERCHURCH WORLD MOVEMENT. REPORT ON THE STEEL STRIKE OF 1919, Harcourt, Brace & Howe, New York, 277 pages, cloth \$2.50, paper cover \$1.50. Contains the results of the investigation concerning hours, wages and control in the steel industry.
- E. Victor Bigelow, MISTAKES OF THE INTERCHURCH STEEL REPORT, 24-page pamphlet. Copies may be secured from the United States Steel Corporation, 71 Broadway, New York.
- Harry W. Laidler, SOCIALISM IN THOUGHT AND ACTION, Macmillan Co., 546 pages, \$2.75. Perhaps the most comprehensive discussion of socialism from an American viewpoint.
- Hartley Withers, A DEFENCE OF CAPITALISM, E. P. Dutton & Co., 222 pages, \$2.50. A strong statement of the accomplishments of capitalism and a vigorous criticism of socialism and the guild movement.
- Bertrand Russell, PROPOSED ROADS TO FREEDOM, Henry Holt & Co., New York, 218 pages, \$1.50. Contains historical accounts of Socialism, Anarchism, Syndicalism, and stimulating chapters on Work and Pay, Government and Law, the World as it Could be Made.
- G. D. H. Cole, LABOUR IN THE COMMONWEALTH, B. W. Huebsch, New York, 223 pages, \$1.50. Contains chapters dealing with the Humanity of Labour, the Labour Movement, Social Reformers, the Organization of Freedom.
- Arthur Gleason, WHAT THE WORKERS WANT, Harcourt, Brace & Co., New York, 518 pages, \$4. A study of British Labor, with chapters on a Revolution Without a Philosophy, Gentle Revolution, Shop Stewards, etc., and valuable appendices.
- Bishop of Oxford and others, PROPERTY, Macmillan Co., New York, 256 pages, \$2. Contains valuable chapters on the Historical Evolution of Property, the Principle of Private Property, the Biblical and Early Christian Ideal of Property, Property and Personality.

PERIODICALS DEALING WITH CURRENT PROBLEMS

- THE SURVEY, 112 East 19th Street, New York, \$5 per year.
- THE NATION, 20 Vesey Street, New York, \$5 per year.
- THE NEW REPUBLIC, 421 W. 21st Street, New York, \$5 per year. Three weeks dealing with current problems from a liberal viewpoint.
- THE WEEKLY REVIEW, 140 Nassau Street, New York, \$5 per year. Weekly dealing with current problems from a conservative viewpoint.
- THE LITERARY DIGEST, 354 Fourth Avenue, New York, \$4 per year. Digest of newspaper and periodical comment on current problems.
- THE CHRISTIAN CENTURY, 508 South Dearborn Street, Chicago, \$4 per year (\$3 to ministers); Twelve weeks acquaintance subscription \$1. A liberal journal of religion. Contains notable articles on industrial problems. An invaluable weekly.
- INFORMATION SERVICE, issued every two weeks by the Research Department of the Commission on the Church and Social Service, of the Federal Council of the Churches, 105 East 22nd Street, New York. Subscription price, including special book review service, \$5 per year. Special rate of \$2 to college and seminary students. Contains valuable data upon current industrial problems.

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